

REMARKS

Claims 14-25, 28-34 and 35 are present in this application. Claims 15, 18, 19, 24, 25, 28, and 31-33 have been improperly withdrawn from consideration without responding to the traverse of the Restriction Requirement made in the response filed August 28, 2008. Claims 26 and 27 have been canceled without prejudice or disclaimer and replaced with new claims 34 and 35. New claims 34 and 35 and amended claims 14, 16, 20, 22, 29, and 30 are believed to better comply with established U.S. claim practice and the provisions of the code (35 U.S.C.). Claims 14, 16, 34, and 35 are independent.

SUMMARY OF THE OFFICE ACTION

The outstanding Office Action is a non-final Action that acknowledges consideration of the references filed with the IDS of January 26, 2006 and January 8, 2007. The outstanding Office Action and the previously mailed Restriction Requirement (July 28, 2008) fail to acknowledge the claim for priority or that copies of the certified copies of the priority documents have been received from the International Bureau. As noted above, the outstanding Office Action also fails to provide any response to the traversal of the Restriction Requirement of July 28, 2008, provided in the response to that Requirement that was filed August 28, 2008.

In addition, the outstanding Action presents a rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §101, a rejection of claims 14, 16, 20, 22, 23, and 26 under the second paragraph of 35 U.S.C. §112, an improper implied rejection of claim 27 under the second paragraph of 35 U.S.C. §112, and a rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro (U.S. Patent No. 7,216,368).

FOREIGN PRIORITY

As noted above, the U.S.P.T.O. has failed to properly acknowledge the claim for priority or that copies of the certified copies of the priority documents have been received from the International Bureau. Correction of this oversight is respectfully requested.

WITHDRAWAL OF IMPROPER OFFICE ACTION

The outstanding Action is clearly improper in failing to indicate any reconsideration of the Restriction Requirement mailed July 28, 2008, based upon the traverse of this requirement included with the response filed July 28, 2008 (that noted that the Restriction Requirement improperly applied the criteria of distinctness from MPEP § 800 instead of the "unity of invention" criteria required by MPEP § 1893.03(d) and 37 C.F.R. § 1.475). Not only has the Requirement not been reconsidered in light of its clearly improper reliance on the wrong criteria, the PTO further violates 37 CFR §1.143 in not repeating the traversed requirement and in not making the traversed Requirement final. This last point is important as it impacts on the right of the applicant to file a petition for review of the Requirement under 37 CFR §1.144.

Accordingly, the outstanding Action should be withdrawn and this improper failure to respond to the traverse of the Restriction Requirement mailed July 28, 2008, should be corrected.

35 U.S.C. §101 REJECTION

Item 3 on page 2 of the outstanding Action sets forth a rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §101 that improperly alleges that the clearly recited systems of these claims that include servers, a communication network and different devices cannot be classified into one of the categories of 35 U.S.C. §101.

First, it is noted that the rejection of claims 26 and 27 on this ground is believed to be moot as these claims have been canceled.

With regard to the subject matter of claims 14, 16, 17, 20-23, 29, and 30, it is noted that *Ferguson Beauregard/Logic Controls v. Mega Systems*, 350 F.3d 1327, 1338, 69 USPQ2d 1001, 1009 (Fed. Cir. 2003) establishes that when construing claim terms, the general meanings gleaned from reference sources, such as dictionaries, must always be compared against the use of the terms in the specification context that must always be consulted to identify which of the different possible dictionary meanings is most consistent with the use of the words by the inventor.

Thus, it is clear that the term “system” as used in this application and in the art has the clear and ordinary meaning of “a set or arrangement of things so related or connected as to form a unity or organic whole.” See definition 1 of “system” on line at “yourdictionary.com/system.” Also, the meaning of “network” as used in this application and in the art has the clear meaning of “a larger system encompassing interconnected computer systems, as from various businesses, universities, etc.” See definition 3b of “network” on line at “yourdictionary.com/network.” Further, the term “server” as used in this application and in the art has the clear meaning of “the central computer in a network (sense) to which other computers or terminals are connected: shared programs, files, and databases are stored on the server.” See definition 3 of “server” on line at “yourdictionary.com/server.” Finally the term “device” as used in this application has the clear and ordinary meaning of “an invention or contrivance, esp. a mechanical one, for some specific purpose.” See definition 2 of “device” on line at “yourdictionary.com/device.”

Thus, it could not be clearer that these recited terms “system,” “network,” “server,” and “device” would be recognized by those of ordinary skill in the art as all being within the 35 U.S.C. §101 category of “machine” and that this rejection is, therefore, completely without merit and should be withdrawn.

35 U.S.C. §112, SECOND PARAGRAPH, REJECTION

Item 5 on page 3 of the outstanding Action sets forth a rejection of claims 14, 16, 20, 22, 23, and 26 under the second paragraph of 35 U.S.C. §112 that improperly alleges that these claims are indefinite for a variety of reasons. In view of the cancelation of claim 26 (and claim 27), the rejection thereof on this ground is respectfully submitted to be moot as more fully discussed below.

With specific regard to item 6 on page 3 of the outstanding Action claims 14, 16, 20, 22, 23, and 26 are all simply asserted to be indefinite as being “generally narrative” and “failing to conform with current U.S. practice.” However, these mere conclusions are not explained with any particularity as to any exemplary claim language that is considered to be “generally narrative” and there is no explanation of what constitutes “current U.S. practice,” much less any examples presented as to how any particular claim language is contrary to this undefined

“current U.S. practice.” In any event, the amendments to claims 14, 16, 20, and 22 (as well as that to claims 29 and 30) are respectfully submitted to present claims that clearly conform to U.S. claim practice.

In addition, it is well established and recognized by MPEP §2173.01 that:

A fundamental principle contained in 35 U.S.C. 112, second paragraph is that applicants are their own lexicographers. They can define in the claims what they regard as their invention essentially in whatever terms they choose so long as any special meaning assigned to a term is clearly set forth in the specification. See MPEP § 2111.01. Applicant **may use functional language**, alternative expressions, negative limitations, **or any style of expression or format of claim which makes clear the boundaries of the subject matter for which protection is sought**. As noted by the court in *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971), a claim may not be rejected solely because of the type of language used to define the subject matter for which patent protection is sought. (Emphasis added.)

Further in this regard, MPEP §2173.02 states that:

The examiner's focus during examination of claims for compliance with the requirement for definiteness of 35 U.S.C. 112, second paragraph, is whether the claim meets the threshold requirements of clarity and precision, not whether more suitable language or modes of expression are available. When the examiner is satisfied that patentable subject matter is disclosed, and it is apparent to the examiner that the claims are directed to such patentable subject matter, he or she should allow claims which define the patentable subject matter with a reasonable degree of particularity and distinctness. Some latitude in the manner of expression and the aptness of terms should be permitted even though the claim language is not as precise as the examiner might desire. Examiners are encouraged to suggest claim language to applicants to improve the clarity or precision of the language used, but should not reject claims or insist on their own preferences if other modes of expression selected by applicants satisfy the statutory requirement.

Thus, to whatever extent that the PTO is seeking to require the use of some other unidentified “current U.S. practice,” it must first analyze the amended claims and set forth why these amended claims do not meet the threshold requirements of clarity and precision required by the statute, and not simply conclude that some undefined standard of “current U.S. practice” has not been met. As the actual minimum requirements of clarity and precision required by the statute are respectfully submitted to be met by at least claims 14, 16, 20, 22, and 23, the unsubstantiated conclusions offered in item 6 cannot be said to present a reasonable basis for the

rejection of amended claims 14, 16, 20, 22, and 23 under the second paragraph of 35 U.S.C. §112.

Turning to item 7 on page 3 of the outstanding Action, it is noted that this rationale offered as to the rejection of claim 14 under the second paragraph of 35 U.S.C. §112 is based on the decision of *Ex parte Lyell*, 17 USPQ2d 1548 (B.P.A.I. 1990). This rationale has misinterpreted the clearly permissible **functional language** (see *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971) cited in the above noted quotation from MPEP §2173.01) of this claim as somehow constituting process language like the specifically claimed process steps in exemplary claim 2 in *Lyell* that is repeated as follows:

2. An automatic transmission tool in the form of a workstand **and method for using same** comprising:
a support means,
and [sic] internally splined sleeve affixed upright to said support means,
a threaded adjustment bolt threadably engaged through a hole in the bottom of said support means and projecting upward through said support frame into said sleeve,
and **further comprising the steps of**
 - 1. positioning the output end of an automatic transmission onto said upright sleeve,**
 - 2. removing the internal components of said automatic transmission from the casing of said transmission,**
 - 3. repairing and replacing said internal components back into said casing,**
and
 - 4. adjusting said internal components for fit and interference by means of adjusting said upwardly projecting adjustment bolt.** (Emphasis added.)

The language noted in the outstanding Action is not this expressly stated “method” and “step” language in *Lyell*, instead it relates to recitations of functions. With further regard to such **functional language**, this type of claim language is noted to be proper for use in an apparatus claim in terms of being noted to comply with the second paragraph of 35 U.S.C. §112 by *In re Swinehart, supra*. In addition, MPEP §2173.05(g) notes that:

A functional limitation must be evaluated and considered, just like any other limitation of the claim, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used. A functional limitation is often used in association with an element, ingredient, or step of a process to

define a particular capability or purpose that is served by the recited element, ingredient or step.

As item 7 on page 3 of the outstanding Action clearly misinterprets claim 14 as purporting to be both a product and a process, the item 7 rationale based on *Ex parte Lyell*, *supra*, cannot be said to present a reasonable basis for the rejection of amended claim 14 under the second paragraph of 35 U.S.C. §112.

Item 8 on page 3 of the outstanding Action notes that claims 14 and 16 of the preliminary amendment recited that the content reproduction device “performs decoding and reproduction with the stored decoding information each time the encrypted content is decoded.” This portion of the outstanding Action then asserts an undocumented conclusion that “it is unclear to one of ordinary skill why the content requires ‘decoding’ after it has already been decoded (the encrypted content id [sic, is] decoded’).”

The rationale here misses the point that when the encrypted content is decoded for reproduction, this decoded encrypted content is not stored for further reproduction requests. Instead, each time reproduction of the encrypted content is desired, it must be decoded using the stored decoding information each time so that the encrypted content can be reproduced as decoded content. This retaining of the “decoding information” and not the decoded content itself helps prevent illegal use of the decoded content as explained in the paragraph bridging pages 9 and 10 of the specification. To clarify this retention of the “decoding information” and not the decoded content itself and to remove any confusion, these claims now recite that the content reproduction device is structurally arranged to obtain selected stored decoding information “that corresponds to a content ID identifying particular encrypted content selected for reproduction and to store the selected decoding information and to then perform decoding with the stored selected decoding information each time the particular encrypted content is selected to be decoded for reproduction.”

The specification is clear (note page 16, lines 6-9, for example) that in the context of this application the disclosed and claimed decoding of the encrypted content to provide decoded content for reproduction can be considered to be decoding the encrypted content by decrypting it as noted at the end of item 8. However, whether this processing of the encrypted content to make

it available for reproduction is called “decoding” or “decrypting,” the point is that to have each reproduction there must first be a “decoding” or a “decrypting” using the retained “decoding information” as noted above.

Accordingly, the rationale of item 8 on page 3 cannot be said to present a reasonable basis for the rejection of amended claims 14 and 16 under the second paragraph of 35 U.S.C. §112.

Item 9 bridging pages 3 and 4 of the outstanding Action notes that claim 16 of the preliminary amendment recited that “when the license vending machine reads a license card and decoding information does not exist for a content ID identifying an encrypted content...” and concludes without any supporting analysis that this recitation somehow makes “the scope of this claim ... unclear.”

However, page 34 of the specification (at lines 12-16) makes it clear that claim 16 is simply stating that the license card may lack a record of the decoding information needed to decode a particular encrypted content. The case law noted in MPEP §2173.02 (*Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986)) requires the claim language must be considered in light of the specification, not in a vacuum.

Moreover, the language has now been even further clarified to recite that “the license vending machine is structurally arranged to receive and read a license card lacking needed decoding information for a content ID identifying the desired encrypted content.” There can be no doubt that the artisan reading this claim language in light of the specification would understand the scope of this claimed subject matter.

Accordingly, the rationale of item 9 bridging pages 3 and 4 of the outstanding Action cannot be said to present a reasonable basis for the rejection of amended claim 16 under the second paragraph of 35 U.S.C. §112.

Turning to item 10 on page 4 of the outstanding Action, it is noted that the rationale offered here as to the rejection of claims 20, 22, and 23 under the second paragraph of 35 U.S.C. §112 is based on these claims being dependent on claim 14 and the above-noted decision of *Ex parte Lyell*, 17 USPQ2d 1548 (B.P.A.I. 1990) coupled again with a clear misinterpretation of the permissible **functional language** (see *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA

1971) cited in the above noted quotation from MPEP §2173.01) of these claims as corresponding to method steps like the clearly recited method steps from *Lyell* that were specifically noted above.

As item 10 on page 4 of the outstanding Action clearly misinterprets claims 20, 22, and 23 as claims that purport to be both product and process claims, the item 10 rationale based on *Ex parte Lyell, supra*, cannot be said to present a reasonable basis for the rejection of amended claims 20 and 22 along with claim 24, 22, and 23 under the second paragraph of 35 U.S.C. §112.

Turning to items 11 -13 on pages 4 and 5 of the outstanding Action, the cancellation of claims 26 and 27 clearly renders the rejection of claim 26 under the second paragraph of 35 U.S.C. §112 and the apparent improper rejection of claim 27 on unspecified grounds moot.

Also, the rationales offered in items 11-13 on pages 4 and 5 of the outstanding Action are believed to clearly not apply to new claims 34 and 35 that replace canceled claims 26 and 27.

35 U.S.C. §103 REJECTION

Item 15 on page 5 of the outstanding Action sets forth a rejection of claims 14, 16, 17, 20-23, 26, 27, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro. This rejection is traversed.

Item 16 on page 5 of the outstanding Action sets forth three bulleted allegations as to the teachings of Ishiguro and the alleged subject matter of claims 14, 26, and 27. As claims 26 and 27 have been canceled, these bulleted allegations and the rejection thereof under 35 U.S.C. §103(a) as being unpatentable over Ishiguro are clearly moot.

Turning to the subject matter of claim 14, the presence of a license server connected with an accounting server and a content server (apparently being read as the claimed content reproduction device) by a communication network (disclosed to be the INTERNET) is certainly taught by FIG. 1 of Ishiguro as alleged relative to the first bulleted point.

However, all that col. 7, lines 47-64 (that include relied upon lines 50-60) teach is that the client 1 is provided with content from the content server 3 and not that any “decoding information” is supplied to a content reproduction device “that is structurally arranged to read out an accounting ID identifying money information from a prepaid card, to transmit a content

ID identifying a desired encrypted content and the accounting ID to the license server through a communication network” as specified by amended claim 14. In this regard the relied upon disclosure of lines 50-60 is repeated as follows:

The user orders access to the content server 3 by operating the input unit 26 [disclosed to be a part of the FIG. 2 illustrated client]. In response, the CPU 21 reaches step S1 and causes the communication unit 29 to access the content server 3 via the Internet 2. In step S2, the user inputs information for designating the content to be provided by operating the input unit 26. Given the content-designating information, the CPU 21 reports the information to the content server 3 through the communication unit 29 and via the Internet 2. Upon receipt of the report, the content server 3 returns encrypted content data, as will be described later with reference to the flowchart of FIG. 4.

While at least desired content is identified by the user at the client 1 and sent to a server (not the license server), there is no providing of accounting ID identifying money information by the user and certainly none due to reading this accounting ID identifying money information from “a prepaid card.” There is also no disclosure that “the license server is structurally arranged to receive the content ID and the accounting ID from the content reproduction device and to transmit an accounting amount obtained from the received content ID and the accounting ID to the accounting server.” There is further no hint here that what is returned to the content reproduction device is decoding information needed to decode the desired encrypted information from the license server when the license server determines that decoding information can be provided to the content reproduction device that is stored so that the content reproduction device can “then perform decoding with the stored selected decoding information each time the particular encrypted content is selected to be decoded for reproduction.”

Accordingly, there is no teaching or suggestion in this relied on portion of Ishiguro of the second bulleted item as to any device that “transmits a content ID identifying an encrypted content and the accounting ID to obtain and store decoding information from the license server” (emphasis added).

Furthermore, to whatever extent that relied on col. 7, lines 12-20 of the third bulleted portion teach an “encryption/decryption unit 24” that “encrypts content data and decrypts previously encrypted content data,” this “encryption/decryption unit 24” is not seen to be used in

the FIG. 10 license renewing process so that the reliance on “fig. 10 col. 7 lines 12-20” at the end of the third bulleted item is not understood..

Moreover, claim 14 requires the accounting server to perform in a manner completely different from the way the accounting server 5 of Ishiguro performs. See col. 11 lines 34-47, noting the performance of accounting receiver 5 as follows:

In step S103, the CPU 21 of the license server 4 gains access to the accounting server 5 through the communication unit 29 and requests the accounting server to perform a credit authorization process regarding the user corresponding to the user ID and password. Given the credit authorization request from the license server 4 over the Internet 2, the accounting server 5 examines the payment history or other suitable records of the user defined by the user ID and password. A check is made illustratively to see if the user in question has failed to pay the price of any license in the past. If the user is not judged to have such nonpayment records, the accounting server 5 transmits credit authorization data; if the user is judged to have any nonpayment records, the accounting server 5 transmits credit rejection data.

Nothing in the relied decision of *Ex parte Smith*, 83 USPQ 2d 1509 (B.P.A.I. 2007) cures these deficiencies of Ishiguro. Also, nothing in this *Smith* decision suggests that the PTO can ignore the requirements of the Administrative Procedure Act that requires the PTO to provide substantial evidence to support any conclusions offered as to the use of a prepaid card, for example. See *In re Lee*, 217 F.3d 1365, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) as follows:

Tribunals of the PTO are governed by the Administrative Procedure Act, and their rulings receive the same judicial deference as do tribunals of other administrative agencies. *Dickinson v. Zurko*, 527 U.S. 150, 50 USPQ2d 1930 (1999). Thus on appeal we review a PTO Board's findings and conclusions in accordance with the following criteria:

5 U.S.C. 706(2) The reviewing court shall

(2) hold unlawful and set aside agency actions, findings, and conclusions found to be

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

* * * *

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute;

For judicial review to be meaningfully achieved within these strictures, the agency tribunal must present a full and reasoned explanation of its decision. The agency tribunal must set forth its findings and the grounds thereof, as supported by the agency record, and explain its application of the law to the found facts. The Court has often explained:

The Administrative Procedure Act, which governs the proceedings of administrative agencies and related judicial review, establishes a scheme of reasoned decision making. Not only must an agency's decreed result be within the scope of its lawful authority, but the process by which it reaches that result must be logical and rational.

In *Smith* there was evidence made of record to support the proposed change and no such evidence has been made of record here.

Furthermore the reliance in the outstanding Action on *In re Collier*, 158 USPQ as establishing that indefinite limitations cannot be said to distinguish a claim over the prior art is misplaced. See MPEP §2143.03 that directs examiners to consider all claim limitations in an obviousness analysis, even those asserted to be indefinite. Further note *In re Wilson*, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970) cited here.

Accordingly, as no *prima facie* case of obviousness has been established as to the improper rejection of claims 14, 16, 17, 20-23, 29, and 30 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro, withdrawal of this improper rejection is respectfully submitted to be clearly in order.

NEW CLAIMS

New claims 34 and 35 replace canceled claims 26 and 27 and clearly set forth subject matter in full compliance with 35 U.S.C. §§ 101 and 112 as well as defining over Ishiguro under 35 U.S.C. §103(a).

CONCLUSION

Should there be any outstanding matters that need to be resolved as to the present application, the Examiner is respectfully requested to contact Raymond F. Cardillo, Reg. No. 40,440 at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37.C.F.R. §§1.16 or 1.17; particularly, extension of time fees.

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Respectfully submitted,

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